



Health Capsule

The Division of Pensions and Benefits ♦ For State Employees ♦ Issue #17

Open Enrollment For Plan Year 2005

This year's State Health Benefits Program (SHBP) Open Enrollment for all eligible State employees will be held from October 1 through November 1, 2004. This is your annual opportunity to review your health, prescription drug, and dental benefit plans, and to make any changes. Coverage changes made during this Open Enrollment will be effective on December 25, 2004 for State employees paid by the State's Centralized Payroll Unit, with deductions beginning with the December 17 paycheck. For all other State employees, the effective date for coverage changes will be January 1, 2005.

How to Enroll and/or Make Changes

The Open Enrollment period is your opportunity to review your health, prescription drug, and dental coverage to make sure that you are enrolled for the benefits and services you need and that the providers you want are available to you. During this Open Enrollment period you may:

- ♦ enroll in any eligible plan offered by the SHBP, if you have not previously done so (Note: as of July 1, 2003, most **new** employees cannot enroll in the Traditional Plan);
- ♦ change to a different health and/or dental plan (dental plans require 12 months of participation before you can change plans);
- ♦ add eligible dependents you have not previously enrolled; and
- ♦ drop dependents.

To enroll or make a change to your coverage, contact your human resources representative or benefits administrator to obtain an application. Completed applications must be returned to your human resources representative or benefits administrator by November 1, 2004 or the deadline established by your benefits office. Do not send applications directly to the SHBP. For more information on the plans offered by the SHBP, visit www.state.nj.us/treasury/pensions



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New Deductibles and Copayments

As a result of contract negotiations and the fiscal year 2005 Budget Appropriations Act, SHBP medical and prescription drug plans will be changing for a large majority of State employees.

The changes are as follows:

- ♦ For the Traditional Plan, the annual deductible will be increasing from \$100 per person to \$250 per person effective January 1, 2005 as follows:

Single	\$250
Member & Spouse/Domestic Partner	\$250 per person
Parent & Child(ren)	\$250 for employee and \$250 in aggregate for child(ren) ¹
Family	\$250 for employee and \$250 in aggregate for all other family members ¹

¹The total combined deductible for dependents adds up to \$250 per year.

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New Deductibles and Copayments *(Continued from page 1)*

- ♦ For NJ PLUS and all HMOs (Aetna, Amerihealth, CIGNA, Health Net and Oxford), the copayment for primary doctor visits and visits to a specialist will increase from \$5 to \$10 as of December 25, 2004 for State employees paid through the State's Centralized Payroll Unit, and January 1, 2005 for all other State employees.
- ♦ The copayments for the Employee Prescription Drug Plan will also be increasing as of December 25, 2004 for State employees paid through the State's Centralized Payroll Unit, and January 1, 2005 for all other State employees. For each 30 day supply received at a retail pharmacy, the copayments will increase from \$1 to \$3 for generic drugs and from \$5 to \$10 for brand name prescription drugs. Mail order copayments for up to a 90-day supply will increase from \$1 to \$5 for generic drugs and \$5 to \$15 for brand name prescription drugs.

These changes will go into effect for all non-aligned employees of the State and State colleges and universities. The changes will also go into effect for those State employees and employees of the State colleges and universities covered by a collective bargaining agreement, where the agreement provides for or adopts such changes. Employees in collective bargaining units who have not agreed to or adopted these changes will not be affected until such a time as the majority representative agrees to them, or they are made part of a final and binding interest arbitration award. As of this printing, employees who will not be affected by the changes include the following groups:

- ♦ Employees of the Executive Branch of the State covered under State labor agreements with the State Police Troopers, Sergeants, and Lieutenants bargaining units and five non-State Police law enforcement bargaining units; and
- ♦ Employees (campus police) of the State colleges and universities covered under the non-State Police law enforcement State labor agreements.

SHBP Dental Plans — Update for 2005

Evaluations and Cleanings — Oral evaluations and cleanings for the Employee Dental Plans have been changed for administrative ease of processing claims. These changes are effective January 1, 2005, and should result in fewer claim denials.

- ♦ Diagnostic — Oral evaluations can be performed up to two times per calendar year. X-rays can be made for two series of up to four films per calendar year;
- ♦ Preventative — Dental cleanings can be performed two times in a calendar year; and
- ♦ Fluoride — Two treatments can be performed per calendar year for eligible dependent children under 19 years of age.

Formerly, these benefits were available on a one-time basis every six months.

Unity Dental Plan Organization — The State Health Benefits Commission did not renew the State's contract with Unity DPO. Effective January 1, 2005 (December 25, 2004 for employees paid through Centralized Payroll), **Unity Dental will no longer be offered under the Employee Dental Plans.** Employees enrolled in this dental plan must transfer to another dental plan offered under the Employee Dental Plans during the month of October (Fall Open Enrollment period). **Failure to choose another dental plan will result in the employee no longer having dental coverage after** December 31, 2004 (December 24, 2004 for employees paid through Centralized Payroll). Current enrollees in the Unity plan will be receiving communications that will provide more information on their dental plan choices and the impact on services currently in progress.

New Retiree Dental Expense Plan — A new Retiree Dental Expense Plan, administered for the SHBP by Aetna Dental, will become effective January 1, 2005. The Retiree Dental Expense Plan is available to State and local retirees eligible to enroll in the SHBP Retired Group. Any retiree who enrolls in the Retiree Dental Expense Plan is responsible for paying the full cost of their coverage.

A description of the plan and a chart outlining the benefits available to retirees is available in Fact Sheet #73, *Retiree Dental Expense Plan*, available on our Web site at www.state.nj.us/treasury/pensions

HIPAA Notice for 2004

The federal Health Insurance Portability and Accountability Act (HIPAA) of 1996 requires group health plans to implement several provisions contained within the law or annually notify its membership of any provisions for which they file an exemption.

For the plan year that began January 1, 2004, all SHBP health plans meet or exceed the federal requirements, with the exception of mental health parity for the Traditional Plan and NJ PLUS. The State Health Benefits Commission has filed an exemption from mental health parity for non-biologically based mental illness with the federal Centers for Medicare and Medicaid Services for calendar year 2004 for the Traditional Plan and NJ PLUS. As a result, the maximum annual and lifetime dollar limits for mental health benefits under the Traditional Plan and NJ PLUS, as outlined in the *SHBP Summary Program Description*, and Traditional Plan and NJ PLUS member handbooks have not changed.

Domestic Partnership Act

Chapter 246, P.L. 2003, the Domestic Partnership Act, recognizes adult individuals in New Jersey who wish to establish a domestic partnership. This law became effective July 10, 2004 and provides that two persons who desire to become domestic partners may execute and file an *Affidavit of Domestic Partnership* with any New Jersey local registrar provided they meet the requirements and provisions of the law.

This law also extends public pension and SHBP benefits to same-sex domestic partners of State employees and retirees and permits local public employers to extend those same domestic partner benefits to their employees and retirees. The law specifically states that the pension and health benefit provisions of the law do not apply to opposite-sex domestic partners because they could obtain those benefits by exercising the option of marriage.

Eligibility

The Domestic Partnership Act applies to any State employee or State retiree who has obtained a New Jersey *Certificate of Domestic Partnership* (or a valid certification from another jurisdiction that recognizes same-sex domestic partners, civil unions, or similar same-sex relationships). A State employee or retiree includes those employed by or retired from the executive, judicial, and legislative branches of New Jersey State government, State colleges and universities including Rutgers University, University of Medicine and Dentistry of New Jersey, and New Jersey Institute of Technology, the Palisades Interstate Park Commission, the NJ Building Authority, the State Library, the NY Harbor Authority, and the Commerce and Economic Growth Commission.

Applying for SHBP Coverage for an Eligible Domestic Partner

To apply for domestic partnership coverage, eligible SHBP members must provide a *Certificate of Domestic Partnership* along with a completed SHBP enrollment application, which can be obtained from your benefits office. The certificate and completed application must be returned to your benefits administrator or human resources representative.

Tax Implications

SHBP members need to be aware of the possible federal tax implications of adding a domestic partner to SHBP benefits. Since the federal tax code does not view domestic partners in the same manner as spouses, your employer may have to treat the domestic partner SHBP benefit as taxable to you and withhold federal income, Social Security, and Medicare taxes on its value. Similarly, since the domestic partner's coverage is a federally taxable benefit, an employee who participates in the State's Tax\$ave (IRC Section 125) Premium Option Plan, or another employer's Section 125 plan, cannot make pre-tax payments for the cost of a domestic partner's coverage. Pre-tax dollars may still be used to pay for the employee's portion of the cost of his or her own and dependent children's coverage. If you want to claim a federal tax dependency exemption for a domestic partner, contact the Internal Revenue Service or see *IRS Tax Topic 354 — Dependents* for more details. The domestic partnership benefit is not subject to New Jersey State income tax. For more information see Fact Sheet #71, *Benefits Under the Domestic Partnership Act*. This fact sheet is available on our Web site at: www.state.nj.us/treasury/pensions/fact71.htm

Verification Needed When Enrolling Your New Spouse or Domestic Partner

If you are a SHBP member who recently married or united in a domestic partnership and wish to cover your new spouse or partner under your health, prescription and/or dental coverage, you must provide the SHBP with a copy of the marriage certificate or *Certificate of Domestic Partnership*. This is also the case for new employees who wish to cover a spouse or domestic partner when enrolling in the SHBP. When applying for coverage, a copy of either certificate should be submitted along with your SHBP enrollment application to your benefits administrator or human resources representative.

COBRA for Overage Dependents

Do you have a child who turned/or will turn age 23 during this year? A dependent child who is age 23 as of December 31 will automatically be deleted from your coverage after December 31, 2004. However, your overage child may continue the same group coverage under the provisions of the federal COBRA law.

Under COBRA, your overage dependent will be billed once a month for the COBRA coverage (cost plus a 2 percent administrative charge) and can continue the coverage for up to 36 months. Dependents may enroll in any of the health, dental, and/or prescription drug plans under which they were eligible.

To ensure receipt of a COBRA notice and application, you must notify your benefits administrator if your dependent is no longer eligible for coverage. Your dependent child must submit a completed COBRA application within 60 days of the date your employer provides you with a COBRA notice or 60 days from the date of termination, whichever is later.

Overage Dependents with Disabilities

Unmarried children with disabilities who turn age 23 in 2004, who are still dependent on you for support, may remain on your health plan upon approval of their disabled status. Requests for the continuation of coverage must be sent to the SHBP by the January 31, 2005 deadline. To apply for an extension of health benefits coverage for a dependent with disabilities, write to the Division of Pensions and Benefits, State Health Benefits Program, PO Box 299, Trenton, NJ 08625-0299 or call (609) 292-7524. Please provide your name, address, and Social Security number, and ask for the *Request for Continuance for Dependent with Disabilities* form.

"How's Your Health, New Jersey?"

SHBP members and all New Jersey residents now have a valuable opportunity to get immediate and free feedback on the state of their health — and how to improve it — by simply logging on to the Internet and completing a survey at www.howsyourhealthnj.org

The "How's Your Health, New Jersey" survey is a short and user-friendly method of providing you with personalized advice on preventive care and chronic illness management. Survey results will be analyzed by a clinical team from New Jersey's Health Care Quality Institute, who will send back some diagnostic information and questions for you to share with your own doctor. The goal of the survey is to promote a more productive relationship between you and your health care providers.

"How's Your Health, New Jersey" will enable consumers to get a quick check-up on their health needs, become more informed health care consumers, and improve communication with their doctors. New Jersey is the first state in the nation to implement "How's Your Health" State-wide — so take advantage of this new and important health care tool.

"How's Your Health, New Jersey" is made possible through a group effort by the New Jersey Health Care Quality Institute, the New Jersey Chamber of Commerce, the State of New Jersey, and the New Jersey Health Care Payers Coalition. It is supported financially by the Commonwealth Fund and the Robert Wood Johnson Foundation, private foundations that support independent research on health issues.

New Jersey SHBP

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Health Capsule is published periodically for State employees and is designed to keep employees informed about developments in their health benefits program. The newsletter will address issues affecting your health and prescription benefits and will include articles on new or proposed legislation, New Jersey Administrative Code changes, decisions of the State Health Benefits Commission, and national issues affecting our programs.

The selections in this publication are for information purposes only and, while every attempt at accuracy is made, it cannot be guaranteed.

If you would like to see any particular health benefits issue addressed, please forward your ideas to *Health Capsule*, Division of Pensions and Benefits, Office of Client Services, P.O. Box 295, Trenton, NJ 08625-0295.

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